# GOVERNMENT OF INDIA
# AGRICULTURE
# LOK SABHA

STARRED QUESTION NO:82
ANSWERED ON:08.12.2003
FARMER INSURANCE INCOME SCHEME
RAM SHAKAL;SURESH RAMRAO JADHAV (PATIL)

**Will the Minister of AGRICULTURE be pleased to state:**

(a) whether the Union Government propose to launch Farmer Insurance Income Scheme(FIIS) as a pilot project for two crops viz, wheat and rice from Kharif 2004;

(b) if so, the details thereof including the main features of the scheme;

(c) whether State Agriculture Secretaries in a meeting with Union Agriculture Minister in thefirst week of November, 2003 requested to extend the scheme for other crops also;

(d) if so, the reaction of the Government thereto;

(e) the States where this scheme has been introduced in the first phase;

(f) the manner in which it is likely to be different from existing National Agricultural Insurance Scheme (NAIS); and

(g) the steps taken by the Government to settle all the pending claims under NAIS as early as possible?

## Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV )

(a) to (g): A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (g) OF LOK SABHA STARRED QUESTION NO. 82 DUE FOR REPLY ON 8TH DECEMBER, 2003.

(a) to (g): The Government of India has decided to implement a Pilot Project on FarmIncome Insurance Scheme (FIIS) during Rabi 2003-04 season for wheat and rabi rice. The main features of the Pilot Project are as follows:-

- A farmer's production and price risk for the crop produced by him, would be protected by ensuring minimum guaranteed income. If the actual income as a product of yield recorded during the season multiplied by prevailing market price falls short of the guaranteed income per hectare (Average yield of past 7 years X indemnity level X MSP of current year), the farmer would be eligible for compensation to the extent of the difference between the guaranteed income and the actual income.

- The Pilot Project would cover Wheat and Rabi rice only in selected districts.

- Procurement at MSP will be withdrawn in these districts in respect of the selected crops.

- As under the NAIS, the FIIS would be compulsory for farmers availing seasonal agricultural operations loans from financial institutions and optional for non-loanee farmers.

- A premium subsidy of 75% is proposed to be given in case of small and marginal farmers and 50% for other farmers.

- The pilot project will be implemented by the Agriculture Insurance Company of India Ltd. (AIC), New Delhi.

2. In a meeting with the Union Agriculture Minister in the first week of November, 2003,some State Agriculture Secretaries requested for extension of the scheme to other crops also. Government has conveyed to the State Governments that the Pilot Project is limited to two crops only, namely wheat and rabi-rice.

3. The list of States/districts identified for implementation of the Pilot Project subject toreceipt of consent of the concerned State Government is as follows:-

| CROP | STATE | DISTRICT |
|---|---|---|
| WHEAT | BIHAR | Buxar, Madhubani |
| | GUJARAT | Banaskantha |
| | HARYANA | Rewari |
| | HIMACHAL PRADESH | Hamirpur |
| | JAMMU & KASHMIR | Jammu |
| | JHARKHAND | Hazaribagh |
| | MAHARASHTRA | Parbhani |
| | PUNJAB | Sangrur |
| | UTTAR PRADESH | Mirzapur, Mathura, Etawah, Kannauj |
| | UTTARANCHAL | Udham Singh Nagar |
| PADDY (RICE) | ANDHRA PRADESH | Warangal |
| | ASSAM | Kumrup |
| | KARNATAKA | Mysore |
| | ORISSA | Cuttack |
| | TAMIL NADU | Madurai |
| | WEST BENGAL | Bardwan |

4. The FIIS covers both yield related risks and the risks due to price variation of theagricultural produce, while NAIS covers yield related risks only.

5. The Government has taken necessary steps for provision of additional funds for the settlement of admissible claims.